

## Martin Van Buren to Andrew Jackson, September 4, 1833, from Correspondence of Andrew Jackson. Edited by John Spencer Bassett.

### VICE-PRESIDENT VAN BUREN TO JACKSON.

Albany, September 4, 1833.

*My dear Sir,* The enclosed letter from Mr. Wright<sup>1</sup> which was not re'd until yesterday will furnish you with his views, and those of several of our most discreet friends here, upon the subject of the Deposits.

<sup>1</sup> Van Buren took the opinion of Silas Wright on the question of removing the deposits. Wright wrote, Aug. 28, 1833 (Jackson MSS), after talking with leading men in Albany. He said that some of those best informed in finance favored immediate removal; but others favored waiting until Congress met. His own view was with the latter.

The question is presented in three points of view, *viz.* 1st, an application to Congress to act in the matter, with a determination on the part of the Sectrs. of State and the Treasury, to fall into your views, and co-operate cordially, in the event of Congress refusing to do any thing upon the subject. 2dly, To complete the arrangements with the State Banks, and direct the future deposits to be made in them after some day, *before* the meeting of Congress; or 3dly, To do the same thing so far as it relates to the completion of the arrangement, have the order actually issued, the Banks designated, and every thing done, *save only that the Deposits in the State Banks shall commence with the commencement of the fiscal year viz the 1st of Jany* .<sup>2</sup> I understood from Mr. McLane at N york that the first plan would meet with his and Mr. Duanes approbation. Sincerely anxious as I am to effect that object, I could not for a moment think of advising such a course. I know of nothing that

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Congress can properly do in the matter, until *after* the Secty of the Treasury has acted; and of no object to be answered by such a course, other, than to attempt to shift upon Congress the responsibility of an act of duty which devolves upon the Executive. Such a course, would, I think, be alike unprofitable and discreditable. Between the two other plans I have not been able to bring my mind to entertain any very strong solicitude. The last would I think be more in keeping with the course which the Government ought to pursue in such a case, and with that for which you have heretofore shewn a preference; viz, one, which whilst it looks steadfastly to the public interest, and disregards the clamour of the Bank, and its adherents, at the same time evinces no resentment or undue excitement. The arguments, pro and con, or rather some of them, are briefly as follows. In favour of the latter course it may be said, 1st, That it is the only one by which you can secure the advantage, (and a very important one it undoubtedly would be,) to have the act of transfer accompanied by a full expose of the grounds upon which it is done, and the evidences of the safety and success of the operation. I say the only way, because I take it for granted that an official expose to the people, before the meeting of Congress, when the charter directs that the reasons should be given to that body, could not but be considered exceptionable. Independent of the advantages to be derived from an immediate and successful refutation of the perversions of the thousand presses of the Bank, as to the object and motives of the act, there would be much use, in seasonably informing the public mind upon the point of the practicability and safety of the proposed arrangement. This subject is but very little understood. A very great proportion of the people are induced, by their strong repugnance to the Bank, and just apprehension of its designs, to give their assent to the change, who, at the same time are strongly impressed with the idea that the proposed substitute will be difficult, and more hazardous than the present. A cotemporaneous publication of the contracts with the State Banks, etc. etc. shewing how easily, and how safely the whole business can be managed, and the fairness and impartiality of the selections of the State Banks, with a parade of the highly respectable, and numerous associations who have agreed to embark in the concern; and all this, accompanied by the strong reasons upon which the act is founded, could not I should

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think fail to overwhelm the Bank, and produce an effect upon the public which would effectually prevent any movement in Congress, upon the subject: or if made, induce the people to take the matter up in public meetings, and in the form of instructions, acting with full knowledge of the subject. 2dly, Among the grounds taken against the step, the two following will be prominent ones, viz. 1st, That it is in violation and contempt of the decision of the last Congress,

2 The fiscal year then began on Oct. 1; from 1843 on it has begun on July 1.

and 2dly, That it is founded in distrust of the present. The object of both will be, to raise up collision, and consequent prejudice between the Executive and Legislative Departments, and by making some of the present Congress believe that they have been treated with disrespect, and distrust, get their passions up, and then furnish them with an excuse for going for the Bank itself, and for a resolution condemning the removal of the Deposits. The first objection is already obviated by the ground upon which the subject is placed in your first communication to Mr. Duane, and which has been maintained since. The second would certainly derive much force from the facts, that Congress (to whom the reasons are to be given,) will be so shortly in session, and that no very conclusive reason can be assigned for doing it before they get together, and in the midst of the quarter, etc. 3dly, By taking the last course much of this clamour will be effectually silenced and the measure probably carried into effect with the same ultimate success. 4thly, If that course is pursued, there will be time to exhibit to the Southern Banks, the arrangements made with that of the north, and thus present the whole case at once, with its naturally accumulated weight. To all this it may be added that the commencement of the year is the natural period for the commencement of the plan, and a departure from it is of itself calculated to give rise to unfavorable inferences. There are but two arguments agt. the adoption of the third course that have had weight with me, and I confess that I have found considerable difficulty in overcoming one of them. They are, 1st, That by leaving the matter open you seem in some sort to invite the action of Congress upon the subject; and 2dly, the advantages which the state Banks would derive from the accruing Deposits, between the 1st of october

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say, and the 1st of Jany. There is certainly much weight in the first idea, but I have pretty much brought my mind to the conclusion, that those who could be induced to vote for a resolution disapproving of the contemplated removal with all the facts before them, as to the extent to which the matter had gone and the safety, and probable success of the arrangement, would do so, also, if it had gone into complete effect. As the arrangement is not made to injure the Bank of the U.S., or to subserve the interests of the State Banks, but to provide for that of the public, the more or less of advantages, and disadvantages, resulting from the one or other course, may I think be safely disregarded—indeed, the movement would more properly resemble a Government act, if it did so.

Upon the whole I concur with Mr. Wright in preferring the course thirdly referred to; but am not so strenuous about it, as to feel, that I should be unable to sustain the second one, if, with a nearer and fuller view of the subject, you should find its adoption highly expedient.

Great care must be taken in the selection of the Banks in N York. Certainly not less than three should be taken, and if possible *four*. Those engaged in them, like the rest of their Fellow Creatures, are very much governed by their own interests, and it would be well to consult some one, out of the City as to the proper selections. Mr. Olcott, the Cashier of the Mechanics and Farmers Bank here, is I think a man of more sense and information than any of them. He made it his business to go down, and succeeded in removing many difficulties which were raised by the N York Directors, and came, and conversed with Mr. Kendall. He is, I believe, entirely disinterested, and would I presume have no objections to give *confidentially to Mr. Kendall*, valuable information, and opinion upon this point.

I write this in some haste, and without much particularity, as it is for yourself only, and shall therefore send it without revision; hoping it may be of some use to you in the important matter in hand, and am very truly your friend